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Jack P. Broadbent  
EXECUTIVE OFFICER/APCO

January 30, 2006

Eileen Wenger Tutt  
Special Assistant to the Secretary  
California Environmental Protection Agency  
Office of the Secretary  
1001 I Street  
Sacramento, CA 95814

Subject: Climate Action Team Report to the Governor and Legislature

Dear Ms. Tutt:

The Bay Area Air Quality Management District (District) commends Cal-EPA for highlighting impacts to California of climate change and identifying strategies to minimize these impacts. The District appreciates the opportunity to provide comments on the Draft Climate Action Team Report to the Governor and Legislature (Report).

The District acknowledges the adverse effects on public health, the environment and the economy that will result from greenhouse gas emissions and also the natural linkage between potential future climate protection programs and existing air district regulatory programs. Recognizing the importance of reducing greenhouse gas (GHG) emissions, the District's Board of Directors adopted Resolution 2005-05 on June 1, 2005, thereby establishing a District Climate Protection Program. Developing public policy to address climate change is extremely important to protect this District's substantial investment and the investments made by both public and private entities throughout the Bay Area to attain health based ambient air quality standards. Regulatory and non-regulatory strategies are needed to address the impacts associated with climate change.

The District has the following comments on the Report:

1. The Report should acknowledge existing public and private efforts underway to reduce GHG emissions in various communities throughout the state and identify strategies to assist these efforts in reaching their goals.
2. The District supports legislation for mandatory GHG emissions reporting. However, legislation should allow local air districts to require emission reporting from all regulated sources, not just the four industries identified in the Report.
3. Some of the control strategies recommend new legislation or that the Air Resources Board (ARB) prepare "model rules" that would be implemented by local air districts. While the District generally supports this strategy,

language should be included in the report requiring state agencies to work with the California Air Pollution Control Officers Association in developing any legislation or model rules that local air districts will be required to implement.

4. The District supports further consideration of a cap and trade (CAT) program as part of a statewide GHG reduction strategy. A well-designed program could reduce GHG emissions and potentially benefit larger industries in the Bay Area by providing flexibility to meet GHG reduction goals. While alternative CAT programs are not detailed enough to make a definitive conclusion of the benefits, the District concurs with the Report's authors that there are potential weaknesses and pitfalls, such as the loss of businesses to other states or countries ("leakages"), increased impacts on low income and minority communities, and reducing GHG emissions to the dis-benefit of other pollutants, that must be avoided in any alternative that may be eventually adopted. A CAT program analysis should take into consideration existing national and international programs (e.g., European Union Emission Trading Scheme and the Chicago Climate Exchange), and how these programs may address the potential pitfalls of a state operated CAT.
5. Mobile sources need to be addressed beyond setting emission standards for 2009 and newer vehicles. This could be accomplished through the "Public Goods Charge" identified in the Report, which would provide a funding stream for an incentive program targeting mobile sources.

The District supports State leadership on this issue, and looks forward to working cooperative with State agencies on climate protection programs. Please contact Henry Hilken, Director of Planning and Research at (415) 749-4642 if you have any questions regarding these comments.

Sincerely,



Jack P. Broadbent  
Executive Officer/ Air Pollution Control Officer

JPB:DV